

**TITLE 10, INVESTMENT, CALIFORNIA CODE OF REGULATIONS
CHAPTER 5.6 ACCESS FOR INFANTS AND MOTHER PROGRAM
ARTICLE 2. ELIGIBILITY, APPLICATION AND ENROLLMENT**

**AMEND SECTIONS 2699.200, 2699.201, 2699.202, 2699.205, 2699.208, 2699.209,
2699.210, 2699.211, 2699.400**

INITIAL STATEMENT OF REASONS

INTRODUCTION AND BACKGROUND

The Access for Infants and Mothers (AIM) program is a state- and federally-funded program administered by MRMIB (Insurance Code section 12695 et seq.). The program provides low cost health insurance coverage to uninsured lower middle income pregnant women. The total cost is 1.5 percent of the subscriber's adjusted annual household income. The State of California and the Federal Government supplement the subscriber contribution to cover the full cost of care.

On June 27, 2013, the Governor signed AB 82 (Chapter 23, Statutes of 2013), the 2013 Omnibus Health Trailer Bill. Section 24 of AB 82 added subdivision (d) to Insurance Code Section 12698, requiring use of MAGI in calculating AIM eligibility effective January 1, 2014, pursuant to the Federal Patient Protection and Affordable Care Law (Public Law 111-148, amended by Public Law 111-152, jointly referred to here as the ACA).

On June 27, 2013, the Governor also signed ABX1-1 (Chapter 3, Statutes of 2013-14, First Extraordinary Session). Section 2 of ABX1-1 amended subdivision (a) of Insurance Code Section 12698.30, to require that AIM eligibility continue through the end of the month in which the 60th day following the end of a pregnancy falls, rather than ceasing on the 61st day following the end of the pregnancy.

At its November 20, 2013 public meeting, the Managed Risk Medical Insurance Board adopted emergency AIM regulations to implement provisions concerning eligibility, enrollment and subscriber contributions and to make additional technical changes concerning MAGI eligibility in compliance with AB 82, and end-of-month disenrollment in compliance with ABX1-1 as well as other technical changes. The emergency regulation took effect on December 27, 2013, and was implemented for AIM subscribers beginning January 1, 2014.

PROBLEM STATEMENT

Existing statutes require use of MAGI in determining AIM income eligibility, but existing regulations base AIM eligibility on monthly household income after deductions. Existing statutes require AIM eligibility to continue through the end of the month in which the 60th day following the end of a subscriber's pregnancy occurs, while existing regulations require that an

AIM subscriber be disenrolled from the program on the 61st day following the end of the subscriber's pregnancy. In addition, existing regulations contain several definitions and requirements for AIM eligibility which are contrary to the recently federally mandated Single Streamlined Application (See Section 1413 of the ACA).

BENEFITS

The objective of the proposed regulation amendment is to implement changes concerning eligibility, enrollment and subscriber contributions; to better align those provisions with related activities of the Department of Health Care Services and the California Health Benefit Exchange, who are implementing provisions of the ACA to provide a "Single Streamlined Application." When fully implemented, the Single Streamlined Application will allow members of the public to apply for any of a wide range of health-related programs, including AIM, through a single application that will meet the needs of all of the programs and minimize the burden on the public of making applications to multiple programs.

SPECIFIC PURPOSE OF EACH SECTION

Section 2699.100(l) is amended to align the definition of "first trimester" of pregnancy with the approach and documentation used in the Single Streamlined Application by deleting reference to "last menstrual period." Section 2699.100(l) also deletes reference to the requirement of medical documentation.

Section 2699.100(q1) makes a technical change to move the definition of "MAGI" to the definitions section from Section 2699.200(b)(1)(C)(2), where it was placed in a previous rulemaking, and to make more explicit the cross-references to the federal statutes from which the definition is derived.

Section 2699.200(b)(1)(A) is amended to align with the Single Streamlined Application by deleting a requirement for medical verification of pregnancy to show eligibility for AIM, and to move subparagraphs 1., 2. and 3., relating to the handling of incomplete and complete applications, from Section 2699.202(d) to this section, substantially verbatim.

Section 2699.200(b)(1)(C)(2) is amended to move the definition of MAGI from this section to Section 2699.100(q1) and to add a cross-reference to federal statutes which require a conversion of the eligibility levels (200 percent to 300 percent of federal poverty level) to maintain substantially equivalent eligibility levels following the implementation of MAGI.

Section 2699.200(b)(1)(D) is amended to better align AIM eligibility with the Single Streamlined Application by deleting a requirement that the applicant make a pre-payment of \$50.

Section 2699.201(a)(1) is amended to allow members of the public to apply for AIM using either the AIM application specified in these regulations, or alternately, the Single Streamlined Application.

Section 2699.201(a)(2) is amended to better align AIM eligibility with the Single Streamlined Application by deleting a requirement that the applicant make a pre-payment of \$50.

Section 2699.201(d)(1) is amended to update the revision number of the AIM application to the newest version.

Section 2699.201(d)(1)(F) is amended to align with the Single Streamlined Application by deleting a requirement for medical verification of pregnancy to show eligibility for AIM.

Section 2699.201(d)(1)(G) is amended to align with the Single Streamlined Application by measuring the pregnancy by the expected delivery date of the pregnant woman's infant rather than by first day of the woman's last menstrual period.

Section 2699.201(d)(1)(I) is amended to align with the Single Streamlined Application by clarifying that providing information about whether the applicant or any member smokes is not a condition of eligibility.

Section 2699.201(d)(1)(N) is amended to align with the Single Streamlined Application by adding that an individual taxpayer identification number is an alternative to the social security number; requiring income amounts and tax filer or dependent status of members of the household; retaining the provision that the social security number, and now individual taxpayer identification number, is not mandatory; and stating that this information (while not mandatory) is necessary for electronic verification.

Section 2699.201(d)(1)(O) is amended to align with the Single Streamlined Application by adding the words, "[a]s necessary," reflecting that extensive documentation of income and deductions will not be required from all applicants when MAGI and electronic verification are implemented.

Section 2699.201(d)(1)(O)2.d.ii. is amended by adding that a determination of MAGI by a County Welfare Office is acceptable as documentation of income.

Section 2699.201(d)(1)(P) is amended to align with the Single Streamlined Application by adding the words, "[a]s necessary," reflecting that extensive documentation of income and deductions will not be required from all applicants when MAGI and electronic verification are implemented, and by adding "student loan interest" to the list of deductions that may be applicable.

Section 2699.201(d)(1)(T) is amended to consolidate in one place the application requirement for information about other health coverage and by adding that details of other insurance will be required only if requested.

Section 2699.201(d)(1)(V) is amended to align with the Single Streamlined Application by eliminating the requirement to provide the address and phone number of the primary employer.

Section 2699.201(d)(1)(W) is deleted, reflecting the consolidation of information about other health coverage in Section 2699.201(d)(1)(T), above.

Section 2699.201(d)(1)(BB) is amended to delete the reference to a “second choice” of health plans as unnecessary since there are no more than two participating health plans available, and to specify that selecting a first choice of health plan is needed only when there is more than one plan available.

Section 2699.201(d)(1)(EE) is added to align the AIM application verification process with the Single Streamlined Application, by specifying that income and deductions will be verified in a manner consistent with the Single Streamlined Application, and that, if the information cannot be verified in that manner, the application will be handled using existing processed for incomplete applications.

Section 2699.201(d)(3) is amended to align with the Single Streamlined Application by providing for a declaration acknowledging that an application found not eligible for AIM will be forwarded either to Medi-Cal or to Covered California (California Health Benefit Exchange) for determination of eligibility for those programs.

Section 2699.202 is deleted to reflect that denial of eligibility based on insufficient funds in the current subsections (a), (b), and (c), is no longer feasible as a result of the ACA, and to move subsections (d)(1), (2) and (3), concerning incomplete applications to Section 2699.200(b)(1)(A)1., 2. and 3., substantially verbatim.

Section 2699.205 is amended to add subsection (b), specifying that this section will cease to be operative at such time as the Department of Health Care Services implements its AIM-Linked Infants Program, as described in Chapter 2 (commencing with Section 15810) of Part 3.3 of Division 9 of the Welfare and Institutions Code, which will render this section obsolete.

Section 2699.207(a)(2)(C) is amended to clarify that a subscriber may self-attest to a termination of pregnancy before the effective date of coverage in AIM, if she does so before the effective date.

Section 2699.207(g) is amended to add paragraphs 1., 2. and 3., specifying the procedural steps for disenrollment of AIM subscribers at the end of the eligibility period, as well as the new requirement that the program provide coverage through the last day of the month in which the 60th day following the end of pregnancy occurs (effective January 1, 2014). Paragraph 1. adds the new requirement for coverage through the end of the month. Paragraph 2. States the rule that, if the subscriber does not notify the program about the end of her pregnancy, disenrollment takes place based on the expected delivery date. Paragraph 3 states that the AIM program shall send a reminder notice on or about 30 days prior to the expected delivery date.

Section 2699.208 is repealed, since infants are no longer enrolled in the AIM program but are instead enrolled in the Healthy Families Program, and, when the Department of Health Care Services implements its AIM-Linked Infants Program, will be enrolled there.

Section 2699.209(b) is amended to conform to the end-of-month disenrollment in compliance with ABX1-1, and to add language stating that the subscriber's responsibility to report the end of her pregnancy can be satisfied by the infant's father, the subscriber's health care provider or the subscriber's health care plan.

Section 2699.210 is amended throughout to delete various obsolete references to infants, who are no longer enrolled in the AIM program.

Section 2699.211 is repealed, reflecting the fact that MRMIB no longer has funds to make payment for application assistance.

Section 2699.400(a)(1) is amended to better align with the Single Streamlined Application by deleting a requirement that the applicant make a pre-payment of \$50.

Section 2699.400(a)(4) is amended to align the calculation of the subscriber contribution with the use of MAGI to determine income pursuant to Section 24 of AB 82, Chapter 23, Statutes of 2013.

Section 2699.400(f) is amended to delete an obsolete reference to infants, who are no longer enrolled in the AIM program.

NECESSITY

The proposed regulation amendment is necessary to make technical changes to correct and complete compliance with new California legislation that (1) requires use of MAGI in determining AIM income eligibility (Section 24 of AB 82, Chapter 23, Statutes of 2013) and (2) requires AIM eligibility to continue through end of the month in which the 60th day following the end of a pregnancy falls rather than disenrolling subscribers on the 61st day following the end of a pregnancy. Both of these statutory purposes were the objective of a regulation amendment adopted by the Board in August 2013. In addition, the proposed regulation is necessary to make technical changes to remove obsolete language.

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS, OR DOCUMENTS

None.

ECONOMIC IMPACT ASSESSMENT/ANALYSIS

The AIM program is funded by a combination of state and federal subsidies and subscriber premiums. The proposed regulation would modify provisions concerning eligibility, enrollment and subscriber contribution. The state fund may have costs since more people will be eligible

for coverage. However, at this time, the amount of costs is unknown because the change of caseload in the AIM due to this regulation cannot be identified.

MRMIB does not anticipate any impact on the (1) creation or elimination of jobs within the State of California, (2) the creation of new businesses or the elimination of existing businesses within the State of California, or (3) the expansion of businesses currently doing business within the State of California.

EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The proposed regulation will not have a significant adverse economic impact upon business. AIM is a program for pregnant women funded by the state, the federal government and subscriber premiums. The MRMIB is not aware of any cost impacts that a small business would incur in reasonable compliance with the proposed action.

REASONABLE ALTERNATIVES TO THE REGULATION AND THE AGENCY'S REASON FOR REJECTING THOSE ALTERNATIVES

None.